JULY 2013 MICHIGAN BAR EXAMINATION ESSAY PORTION MORNING SESSION

QUESTION 1 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I

It was a cold, snowy January day in Michigan. John Smith drove to the local grocery store, We Are Food (WAF), early in the morning. He could not go the night before as there had been a freezing rain which made roads icy. By the time of Smith's arrival at the store, approximately one inch of snow covered the parking lot, and it was still snowing. Before exiting his car, Smith saw a friend, Lauren, walking towards the store's only entrance. A few feet from the entrance to the store, Lauren slipped twice, but did not fall. After watching Lauren slip, Smith exited the vehicle and carefully made his way, without incident, into the store. Meanwhile, the owner of WAF was trying to call the local snow removal company to clear the accumulating snow.

After purchasing some items, Smith left the store with Lauren. Both were carrying a bag of groceries and were engaged in conversation. Smith was a few feet out the door when he slipped and fell, breaking his arm. After Smith fell, Lauren declared "that is right were I slipped and almost fell coming in."

Smith sued WAF for negligence. Explain (1) the elements of his claim, and (2) whether WAF had a duty to Smith, and, if so, whether it was breached. Explain your answers.

^{****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I*****

The Apache Indian tribe started to build a hotel on its reservation lands within the city of Smithville, Michigan. Smithville city officials informed the tribe that the construction was not in compliance with local zoning ordinances. Tribal officials asserted that the tribe was in compliance, but if it was not, the construction of the hotel would not be subject to the ordinances because federal law granted it tribal immunity. The tribe declared that it would continue building as previously planned.

Having no other option, the city sued the tribe in a Michigan circuit court, alleging a nuisance resulting from violation of numerous city zoning ordinances. The city also asserted in the complaint that although the tribe was recognized pursuant to federal law, it could not utilize its tribal immunity under federal law and therefore was not exempt from the local zoning ordinances.

In light of the complaint's reference to its tribal immunity under federal law, the tribe removed the case to federal district court on the basis of federal question jurisdiction, which the city did not challenge. The parties engaged in more than a year of pretrial discovery, and, after a trial, the district court ruled that the tribe was in compliance with the ordinances and dismissed the case. The city appealed, arguing that the district court did not have subject matter jurisdiction over the complaint.

(1) Can the city, after trial and not having previously raised the issue, challenge on appeal the district court's jurisdiction, and (2) regardless of your answer to the first question, did the district court have jurisdiction over the complaint? Explain your answers.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I*****

Brian's Cake Bakery (BCB) is a Michigan corporation whose stated corporate purpose is the creation and sale of cakes. Brian owns 30% (300 shares) of the corporation, while Vicky owns 40% (400 shares) of the corporation, and Murphy, Callen and Rick each own 10% of the corporation (100 shares each). The company's signature and most profitable item is "ridgey cake."

Michigan is known as the "Christmas pickle" capital of the world, and holds an annual pickle festival every December. Vicky, Rick and Callen are interested in profiting from the event.

Thirty days prior to the 2013 annual shareholders' meeting, notice was mailed to the shareholders by the board. The notice announced that a proposal to amend BCB's Articles of Incorporation to expand its stated corporate mission would be voted upon at the upcoming meeting. The following resolution was presented:

"To create, manufacture, and sell, and otherwise deal in pickles, pickle ornaments, pickle-related products, and pickle-related memorabilia."

The meeting was attended by Vicky, Rick and Brian. Murphy and Callen elected to skip the meeting. Per the Articles of Incorporation, each share of BCB stock was entitled to one vote. Vicky and Rick voted their collective 500 shares in favor of the proposal, while Brian voted his 300 shares against the proposal, claiming that the pickle festival would detract from the operation and profits of the bakery. The amendment was adopted by 62.5% of the shares voted at the meeting. Subsequently, a certificate amending the Articles of Incorporation was filed with the State of Michigan.

Angry with the vote, Brian donated stock certificates representing 50 shares of his BCB stock to his favorite charity. When Vicky and Rick learned of the transfer, they claimed that the transfer was not valid, noting that, from the time the company was founded in 1998, the Articles of Incorporation mandated that other BCB shareholders be given a right of first refusal to acquire BCB stock, a fact that was noted in bold on the face of the stock certificate. They demanded that the charity return the stock certificates. The charity refused.

Except as otherwise indicated, assume that the Articles of Incorporation and bylaws are silent. Applying Michigan law, discuss: (1) whether the purpose of the Articles of Incorporation was properly amended, (2) whether the proper procedures were

followed in amending the Articles, and (3) the validity of Brian's transfer of his stock to the charitable organization. Explain your answers.

GO TO BLUEBOOK II

Pat is a lawyer who filed a case in a Michigan circuit court on behalf of an injured client. After meeting with the client, Pat learned that the client would like to receive in excess of \$100,000 to resolve the case, but would settle for \$80,000.

(1) Early in the case, defense counsel broached settlement with Pat by saying, "I can get your client \$82,500." Pat responded, "Are you kidding? This claim is easily worth \$50,000 more than your offer. I won't accept that -- in fact, it's so crazy I'm not even going to take it to my client." (2) Pat kept his word and did not convey the offer to his client.

During a subsequent deposition, the client presented as a credible witness with regard to liability and damages. Thereafter, Pat obtained the client's approval to prepare a settlement demand for \$125,000 for pain and suffering and medical treatment, past and future. The next day, and before Pat could transmit the offer to defendant's counsel, the client died from causes unrelated to the slip and fall accident. (3) Pat sent the settlement demand to defense counsel without disclosing the client's death because the client had incurred significant pain and suffering and medical bills before death, and, under applicable law, the claim still had some value for the client's estate.

- (4) A few days later, Pat filed a pretrial statement with the court. In the statement, the parties were required to outline their causes of action (or defenses), live witnesses, witnesses by deposition, other evidence and estimated damages. As part of the filing, Pat listed the client as a live witness and enumerated past and future pain and suffering and medical expenses as damages.
- (5) Several days later, defense counsel emailed Pat, rejecting the settlement demand for \$125,000 and making a counter-offer of \$89,500. Shortly thereafter, a settlement for \$110,000 was agreed to and opposing counsel sent a check payable to Pat's client along with a release for the client to sign.

Pat planned to have the personal representative of the client's estate cash the check, but when it became clear that opposing counsel and the insurance company wanted to have the release signed in person, Pat admitted that the client had died.

Explain whether each of Pat's five actions violated any of a Michigan lawyer's ethical duties.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II*****

QUESTION 5 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II

After Deborah suffered physical and mental injuries in a cartrain crash, she sued RR Railroad Company for damages. Deborah claims she sustained neck and back injuries. She also claims she suffers from post-traumatic stress disorder (PTSD), which includes flashbacks and psychological inability to cope with the sound or sight of trains.

In support of her claim for these mental and physical damages, Deborah wants to present at trial her treating psychologist, Dr. Fran, as an expert witness. Dr. Fran has counseled PTSD patients for ten years. Dr. Fran is to opine that the PTSD, the flashbacks, and the difficulty with trains relate to the accident and that these maladies will continue for years. She will also testify that the PTSD symptoms exacerbate Deborah's neck and back injuries. Deborah also wants to present her 22-year-old daughter, Jennifer, who has lived with her since the accident, to testify she has witnessed her mother screaming incoherently and then turning silent for hours after hearing or seeing a moving train.

RR seeks to keep Dr. Fran from testifying. RR argues that Dr. Fran is not qualified to render an opinion on any of Deborah's injuries because she is only a psychologist (a college and post-college graduate of psychology and counseling) and not a psychiatrist (a medial doctor educated in psychology and diseases of the mind).

RR also challenges Jennifer's testimony on the basis she is (1) "too biased" and (2) "completely lacks the necessary qualifications" to testify as to her observations of Deborah.

On the subject of flashbacks, RR wants to present Dr. Bill, who did not see Deborah for diagnosis and treatment. Rather, Dr. Bill saw Deborah one time at RR's request for purposes of testifying at trial. Dr. Bill will testify Deborah told him she fabricated the flashbacks. Deborah objects to Dr. Bill quoting her as inadmissible hearsay.

- 1. Should the court allow Dr. Fran to testify to none, one, or both of her opinions over RR's objection? Explain your answer.
- 2. Should Jennifer be able to testify at all and, if so, should she be able to say what she saw her mother experiencing? Explain your answer.
- 3. Should the court allow Dr. Bill to testify over Deborah's hearsay objection? Explain your answer.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II****

QUESTION 6 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II

Able Broadcasting had a five-year written contract with Zenith Media for Zenith to sell commercials on Able's TV station. The contract between Able and Zenith contained these relevant terms:

- (1) Zenith was to provide Able with weekly sales reports that detailed its past week's sales and projected sales for the next four weeks;
- (2) Zenith's sales goal was \$100,000 per week;
- (3) Zenith was to receive a 10% commission on gross sales;
- (4) Able was to pay Zenith's invoices within 30 days of receipt;
- (5) The contract was set to expire on December 31, 2013.

The contract did not address whether, or on what grounds, it could be terminated before the end of its term. As 2013 began, Able was troubled because during 2012, Zenith's average weekly sales had fallen from \$100,000 to \$80,000 despite Zenith's diligent efforts. Lately, Zenith had been providing sales reports only every two weeks, sometimes without projections.

During 2012, Able wrote Zenith every time a sales goal was missed, expressing dissatisfaction and encouraging Zenith to do better in the coming weeks. Less consistently, Able complained about not receiving sales reports and projections as promised, advising Zenith that Able needed this information to project the amount of funds it would have available to buy supplemental programming.

In January 2013, Able sent Zenith a letter reviewing Zenith's history of not following the contract. The letter ended: "Effective immediately, we insist that you comply fully with each of your contractual obligations, including meeting weekly sales requirements and providing weekly reports and projections. Failure to do this will result in termination of the contract."

Zenith improved for a few weeks, then slipped back to its previous pattern. On March 15, Able notified Zenith it was terminating the contract as of April 1 because of Zenith's repeated breaches.

On May 1, Zenith sued Able for breaching the contract by unilaterally terminating it early. Able defends against Zenith's breach of contract claim by asserting that Zenith's breaches justified termination. Zenith responds that Able had waived strict performance of the contract.

Should Zenith prevail based on these arguments? If Zenith prevails, what remedy or remedies can Zenith obtain on the facts provided, and why? (You are not expected to compute damages in a specific amount.) Explain your answers.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II****

GO TO BLUEBOOK III

QUESTION 7 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III

Brad, Dave and Greg are brothers whose parents died, leaving the family cottage in western Michigan jointly to the siblings as tenants in common.

While initially all the siblings used the cottage, both individually and as a group, Brad and Dave began using the cottage less frequently as the years passed. Indeed, several years ago Brad moved out of Michigan, and Dave had increasingly little time to take vacations and thus could rarely visit the cottage. Greg, however, lived closest to the cottage and thus undertook its maintenance. In 2012, Greg installed a new septic system when the prior system failed.

In early 2013, Greg decided to rent the cottage to vacationers. As part of this process, Greg and the various renters entered into written rental agreements allowing the renters the non-exclusive use of the property for one week. None of the renters are aware that there are other co-owners of the cottage, and Greg has not shared any of the rental income with his brothers.

Recently, Brad and Dave learned the above facts. Brad and Dave refuse to share their cottage with strangers and demand that Greg immediately stop renting the cottage to third parties and that he disburse to them two-thirds of the rent that he has thus far collected. Greg refuses and instead claims that Brad and Dave must contribute their proportionate shares of the cost of the new septic system that Greg had installed. Greg is also threatening to sell the cottage to a third party--an action that his brothers adamantly oppose.

Applying Michigan law, discuss: (1) whether Brad and Dave may force Greg to stop renting the cottage; (2) whether Brad and Dave are entitled to revenue from the rent that Greg has collected; (3) whether Brad and Dave must contribute to the cost of the septic system; and (4) what right any one brother or grouping of brothers has to dispose of the cottage. Explain your answers.

^{******}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III*****

QUESTION 8 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III

One afternoon, David Dogowner returned home from work to find that the gate to his backyard was open and that his beloved Scottish terrier, Murphy, had escaped. He quickly made "lost dog" signs to post around the neighborhood containing his contact information, a picture of Murphy, and the words "\$50 Cash Reward for Murphy's Return."

Felix Finder noticed one of David's signs while he was out for his nightly walk a couple of blocks from David's home. As soon as he turned the next corner, he saw a Scottish terrier sitting on the sidewalk by itself. The terrier ran over to Felix. It wore a collar that contained a tag listing David's name, address, and phone number.

Felix picked Murphy up and started walking toward David's address. On his way to David's, he stopped to pick up a man's gold wedding ring that he noticed on the sidewalk. The ring had no identifying marks on it. Felix pocketed the ring and kept walking.

Shortly thereafter, Felix arrived at David's house. David immediately identified Murphy as his dog and was excited to see that Murphy was safe. However, David got indignant when Felix asked about the \$50 reward. He refused to pay and instead demanded that Felix return Murphy without any reward. Felix told David that he would only return Murphy if David paid him the reward, to which David threatened legal action to force Murphy's return.

Assess Felix's rights under Michigan law as they pertain to (1) the dispute over the dog and reward money, and (b) the ring. Explain your answers.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III*****

QUESTION 9 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III

Denny Dolan decided to set some of his fortune aside for the benefit of his grown children, Melissa and Grant, by signing the following document:

THE DOLAN FAMILY TRUST

This trust agreement is made by and between Denny Dolan (the Settlor) and ABC Bank (the Trustee).

The Settlor wishes to create a trust of five million dollars (\$5,000,000) for the benefit of his children, Melissa Dolan and Grant Dolan ("Beneficiary" or "Beneficiaries"), the funds having been delivered on this date to the Trustee.

The Trustee agrees to hold the five million dollars ("trust property") and to manage, invest and reinvest the same in trust for the following uses and purposes: to distribute annually a lump sum payment of \$30,000 each to Melissa Dolan and Grant Dolan. The distributions shall be payable annually every June 30th and shall continue for the rest of each beneficiary's life.

Each beneficiary is restrained from disposing of his or her interest in the trust estate. The interest of each beneficiary shall not be subject to the claims of beneficiary's creditors or other persons, nor to any other liabilities or obligations.

/S/ Denny Dolan /S/ ABC Bank April 14, 2010

In accordance with the terms of the trust, Melissa and Grant received their distributions on June 30th of 2010, 2011, and 2012. In early 2013, three separate claims were filed against the trust. First, the State of Michigan demanded \$36,000 in back taxes owed by Melissa. Second, the Estate of Johnny Jackson sought to satisfy a \$500,000 judgment obtained against Grant for the wrongful death of a child. Lastly, Denny's former business partners sought to satisfy a \$100,000 judgment obtained against Denny for conversion and fraud.

Assume that a valid trust was created on April 14, 2010. Applying principles of Michigan law, discuss the likelihood of success of the three claims filed against the trust. Explain your answers.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III****

JULY 2013 MICHIGAN BAR EXAMINATION

ESSAY PORTION

AFTERNOON SESSION

QUESTION 10 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV

During Donald's 2013 trial for possession with intent to deliver cocaine, the prosecution seeks to introduce a Michigan State Police Crime Laboratory report to establish that the substance seized from Donald on arrest was cocaine. After the substance was seized, it was properly secured, maintained, and forwarded to the crime lab by the officer in charge of the case with a formal request for analysis.

While the report generated by the crime lab was authored by a Dr. Johnson, the doctor was absent from trial, prompting the prosecutor's request to introduce Dr. Johnson's report. The salient portion of the report contains the following statement:

I, Dr. Johnson, have examined a substance submitted to me for analysis in the case of *People v Donald Defendant* and do hereby certify and attest that the substance tested contains the controlled substance cocaine.

This report was sworn to before a notary public and signed. It was then sent to the officer in charge of the case.

Defense counsel objected to the introduction of the report, contending his client has a "constitutional right to cross examine" Dr. Johnson. The prosecutor responded that the report is highly reliable and trustworthy and should be admitted without Dr. Johnson's testimony.

Discuss how the court should rule on defendant's constitutional argument and the analysis leading to that decision. Explain your answer.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV****

QUESTION 11 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV

Debbie was sitting on the front porch of a girlfriend's house one afternoon when she saw one of her school classmates, Sally, walking in the street in front of the house. Debbie and Sally were not friends because they were competing for the attention of their college's star quarterback, Hugh. As soon as Debbie saw Sally, she hollered out, "Hey tramp, street walking again?" Debbie and her girlfriend laughed. Sally stopped but said nothing. Debbie then left the porch and stood on the lawn in front of the house. She yelled at Sally again, using the same words. When Sally neither moved nor responded, Debbie came to the edge of the street, still on the lawn, but thought of moving closer. Debbie turned to walk back to the porch, but not before mouthing, "street-walking tramp."

Sally, still having not moved, responded, "Yeah, I'm street-walking -- and I'm walking down the street to see my man Hugh. So don't be callin' him--he'll be busy."

Now incensed that Sally had brought up Hugh, Debbie entered the street and swung her fist at Sally. A tussle began and Sally was getting the better of Debbie. Sensing she would lose, Debbie reached into the back pocket of her jeans, grabbed her metal nail file and plunged it into Sally's throat. Sally died later at the emergency room from the wound.

Debbie is now on trial for homicide. What, if any, level of homicide do you believe Debbie has committed? What is the likelihood Debbie will prevail on a claim of self defense? Explain your answers.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV****

QUESTION 12 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV

Gonnga, anti-war resident Gary an activist and Pleasantville, Michigan, wants to donate an anti-war monument for placement in Pleasantville's public park. The six-acre park contains several permanent displays, including some honoring deceased local police officers, Pleasantville's first female mayor, and a local-born astronaut, and a September 11 memorial. displays also include a "Warriors of Honor" monument paying homage to Pleasantville's veterans who died in "Honorable" wars, from the Civil War to the Persian Gulf War. The 100-year-old Pleasantville Veterans Association donated this monument.

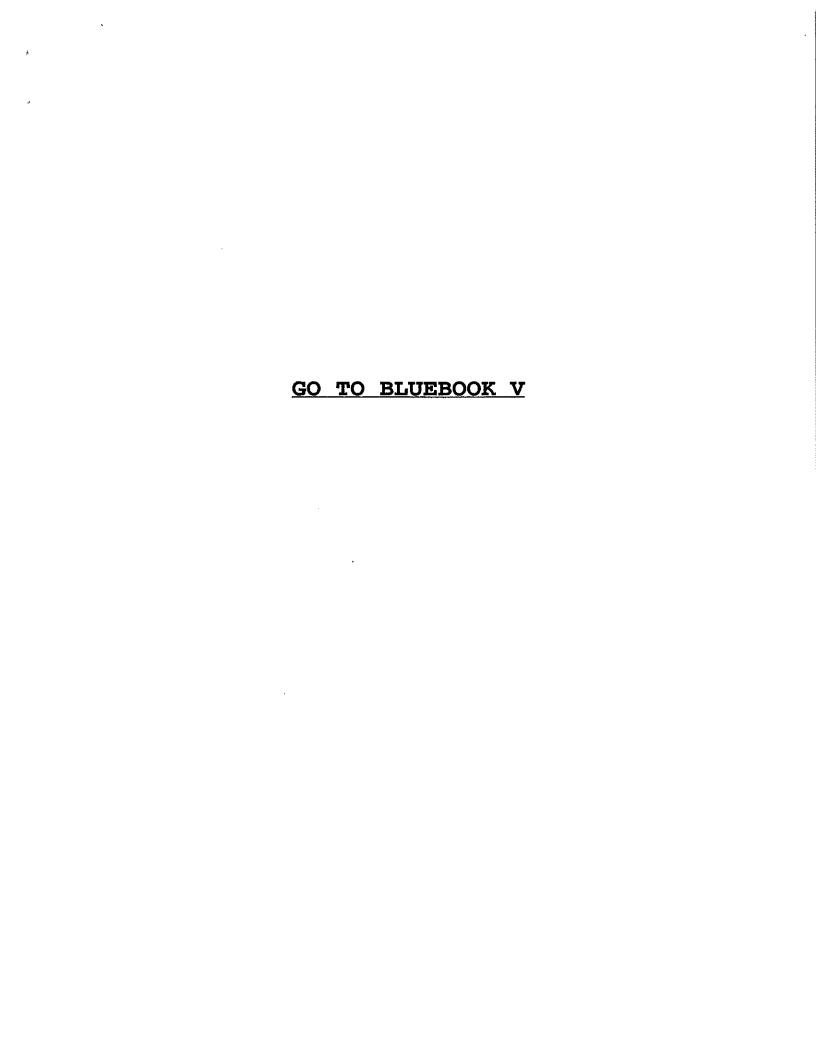
Gonnga's monument, while similarly sized as the others, is entitled "War is Dishonor" and extols pacifism.

Pleasantville denied Gonnga's request, citing a resolution passed some years prior by Pleasantville's city council. This resolution required any monument erected on city property to be donated to Pleasantville which has "final approval authority" over the proposed monument. Acceptance was limited to monuments that "either (1) are directly related to Pleasantville's history, or (2) were donated to Pleasantville by groups with longstanding ties to the Pleasantville community." The prior monuments were deemed to have complied.

Unable to persuade Pleasantville, Gonnga filed suit in 2012 alleging Pleasantville acted unlawfully in rejecting his monument. Gonnga asks the court to direct Pleasantville to accept his donation and place the monument in the park.

Applying constitutional law principles, discuss whether Gonnga is likely to prevail against the City of Pleasantville. Explain your answer.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV****



QUESTION 13 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V

ABKCO is a medium-sized Michigan company. With an improving economy in the spring of 2013, ABKCO's business has increased and ABKCO wants to share its improving fortunes with its workforce. Toward that end, ABKCO has offered its employees an increase in its employer-provided life insurance benefit. ABKCO's employees could, at their option, obtain an increase in the face value of their policies so long as they pass a brief health examination and blood test.

Sarah, an employee of ABKCO, took advantage of ABKCO's offer and underwent the health exam and blood test at ABKCO's workplace during normal working hours. Unfortunately, she developed an infection as a result of the blood testing.

Sarah claims her infection is a work-related injury for purposes of workers' compensation. ABKCO disagrees, saying it is not work related for purposes of the workers' compensation statute.

Answer the following question with reference to Michigan workers' compensation law and without regard to any potential third-party liability relating to the blood tests:

Assuming Sarah's infection is an injury for purposes of workers' compensation, is this type of injury covered by the workers' compensation statute? Explain your answer.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V*****

QUESTION 14 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V

Smith Tire Company is located in West Bloomfield, Michigan. The company manufactures tires for motorized vehicles. Jane Smith is the president of Smith Tire Company.

On March 1, 2012, Ms. Smith received a letter from Super Bikes, Inc., which was in need of purchasing tires. Super Bikes, Inc. is a well-known manufacturer of motorcycles located in St. Joseph, Michigan. Larry Jones is the president of the company.

The letter, which was printed on the company's letterhead said, "Super Bikes, Inc. offers to purchase 1,000 18/65B16 tires for \$300 per tire. The total contract price is \$300,000. This offer is firm and will not expire until May 30, 2012. Please ship on May 30, 2012 using Allied Freight Company (FOB-West Bloomfield)." The letter was initialed by Larry Jones.

Because this was such a large order, Ms. Smith immediately gave the letter to her production manager in order to begin the manufacturing process to fulfill the order. On the evening of May 29, 2012, Mr. Jones left a voicemail message for Ms. Smith and cancelled the order. Ms. Smith did not receive this message.

Smith Tire completed the production and shipped the tires to Super Bikes on the morning of May 30, 2012. After Allied Freight picked up the tires, Ms. Smith faxed Super Bikes notice of the shipment along with all the documents necessary to enable it to obtain possession of the tires. That afternoon, Ms. Smith heard the voicemail message from Mr. Jones. While in transit, the truck carrying the tires was involved in an accident and all of the contents of the truck were destroyed.

- (1) Is there a contract between Smith Tire Company and Super Bikes, Inc. for the 1,000 tires?
 - (2) Who has the risk of loss and why?

Explain your answers.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V*****

QUESTION 15 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V

Mike and Sally live in Ingham County, Michigan. They have been married for 30 years. Mike is 60 years old and Sally is 58 years old. Mike is a pilot for a private airline. He earns \$400,000 a year. When Sally became pregnant with their first child, the couple decided that Sally would quit her job as a nurse in order to stay home and care for their children. The couple ultimately had four children. Sally was thankful that her husband's income was sufficient to comfortably care for their family without her having to work outside the home. She spent her time raising their children, volunteering in their classrooms, caring for their home and participating in church groups. All four children are now over the age of 18.

Since their children have become adults, the couple decided to downsize and move to a smaller home located in South Haven, Michigan. The home they plan to move into is near Lake Michigan and the yacht club where they have a boat. South Haven is in Van Buren County, Michigan.

Last week while packing their belongings to prepare for the move, Sally discovered letters unequivocally demonstrating Mike has been having an affair with another woman. The affair has been going on for five years. Mike and Sally are scheduled to move within the next month.

Sally wants to quickly initiate divorce proceedings. She is concerned whether she will be able to support herself and unsure whether to file before or after their scheduled move.

In a divorce proceeding, what is the likelihood Sally will be awarded spousal support? Explain your answer.

In which county can Sally initiate divorce proceedings? Explain your answer.

^{*****}THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V*****